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RHEHAAA/THE WHITE HOUSE WASHDC IMMEDIATE

C O N F I D E N T I A L SECTION 01 OF 03 TEGUCIGALPA 000619

SIPDIS

STATE FOR WHA

E.O. 12958: DECL: 07/17/2019

TAGS: PGOV KDEM PREL HO

SUBJECT: TFH01: FULL-COURT PRESS TO BRING MICHELETTI AROUND

REF: A. TEGUCIGALPA 610

1B. TEGUCIGALPA 594

1C. TEGUCIGALPA 587

1D. TEGUCIGALPA 586

1E. TEGUCIGALPA 581

1F. TEGUCIGALPA 580

Classified By: Ambassador Hugo Llorens for reasons 1.4 B & D.

11. (C) Summary: During the week of July 13 the Ambassador and Embassy officers met with numerous Micheletti supporters to press for the reinstatement of President Zelaya through the Arias process. The Ambassador emphasized the USG's strong support for the process and outlined the serious and long-term consequences Honduras could face if it failed. Interlocutors understand the potential for continued international isolation, political strife and perhaps even violence, but distrust of Zelaya runs so deep that many are tempted to take that risk. The Ambassador brokered a tentative agreement July 17 among some close Micheletti confidantes to support Zelaya's conditional reinstatement, but they must convince Micheletti before the resumption of talks tomorrow. End Summary.

Full-Court Press

12. (C) While adhering to our no-contact policy, we have reached out to key players on the Honduran political scene this week to urge them to press the de facto regime to engage seriously in serious talks in San Jose July 18. We have met with key members of the National and Liberal Parties, including presidential candidates Elvin Santos and Pepe Lobo.

We have also been in close touch with former President Carlos Flores and political consultant, unofficial advisor and Micheletti commission member Arturo Corrales. The Ambassador has stressed President Obama's and Secretary Clinton's strong support for the Arias process as the best hope for reaching national reconciliation and restoring the constitutional order in advance of the November 29 elections.

The failure of the Arias process would strengthen the hand of Micheletti regime enemies such as Hugo Chavez and result in continued international isolation, cut-off of U.S. assistance and continue domestic political turmoil. The minimum acceptable result for the July 18 session was for the Micheletti regime to be prepared to discuss conditions that could be placed on Zelaya's return.

Business Barons Agree to Back Talks

¶3. (C) Business barons who met at the Ambassador's residence July 16 strongly approved of Zelaya's ouster and argued vociferously that it was an act in defense of democracy. The Ambassador outlined the serious consequences that could attend failure of the talks, but the business leaders feared the international community could not guarantee Zelaya would abide by any conditions attached to his reinstatement. However, they agreed to create a small committee to approach the Micheletti regime and urge them to negotiate seriously in San Jose. They also offered to issue press statements supportive of the negotiations.

Dinner with Carlos Flores

¶4. (C) Over dinner July 16, former president and Liberal Party elder statesman Carlos Flores was very skillful in convincing Cardinal Oscar Rodriguez of the logic of a negotiated agreement for Zelaya's return. The Cardinal even agreed to talk to Micheletti negotiating team member Mauricio Villeda in support of Zelaya's conditional return. Villeda discussed the issue with the Ambassador and the Cardinal later over coffee and appeared to move toward the U.S. position.

Breakfast with Ricardo Maduro

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¶5. (C) The Ambassador and Political Officer also strongly pressed the U.S. position during a July 17 breakfast with former President and National Party elder statesman Ricardo Maduro. Maduro maintained Zelaya's ouster was in the best interest of democracy, even if its legality was questionable. He worried that Zelaya could not be controlled, regardless of international guarantees. Maduro had recently met with the Honduran military leadership, who expressed their fear of being scapegoated in the event of a political agreement. Military leaders had told Maduro they were prepared to support Zelaya as their commander-in-chief, whatever his orders, in the event the military was blamed for the coup.

Down to the wire

¶6. (C) With less than 24 hours before the resumption of talks in San Jose, the Ambassador met with former President Carlos Flores, Liberal Party Presidential candidate Elvin Santos, Micheletti advisor Arturo Corrales, media magnate Jorge Canahuati and banker Camilo Atala. The Ambassador, together with Flores, convinced the group that the conditional reinstatement of Zelaya was the best position for the Micheletti regime to take during the July 18 talks. Any other position would cause the talks to fail, with the blame falling on Micheletti. The Arias process provided the best venue for attaching conditions to Zelaya's reinstatement. Failure of the talks due to Micheletti's intransigence would likely strengthen Chavez's hand and lead to violence or a less favorable negotiating forum such as the OAS.

¶7. (C) Flores produced a document that could serve as the basis for an agreement. The draft included a number of provisions including:

-- the reinstatement of Zelaya as President and Micheletti as President of Congress;

--a guarantee for the physical safety of both Zelaya and Micheletti;

-- political amnesty for both sides for six months;

-- a pledge of non-interference with upcoming elections;

-- a guarantee not to hold any non-constitutionally mandated polls or referenda for one year;

-- an OAS monitoring team to ensure implementation of the agreement;

-- a truth commission to evaluate evidence of wrongdoing on both sides;

-- temporary attachment of police and military forces to the Supreme Elections Tribunal;

-- return of stolen funds to the Central Bank; and

-- a public apology to the Honduran people by both Micheletti and Zelaya.

¶8. (C) Flores's proposal was received favorably by the group, and they promised to advocate to Micheletti that it form the basis of his position in the July 18 discussions. Santos voiced concerns about the military's position and encouraged the Ambassador to engage with Chief of Defense Vasquez Velazquez to convince him to engage Micheletti. (note: the Ambassador met with Vasquez on July 17. end note.).

Comment

¶9. (C) By all accounts Micheletti is extremely wary of Zelaya's return, and his recent bellicosity has led his supporters to question Zelaya's intentions. However, our full-court press this week seems to have moved them in the direction of supporting a negotiated return. Continued pressure will be needed to ensure Micheletti agrees to this

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approach. The largest stumbling block remains providing sufficient conditions and guarantees to overcome their deep mistrust of Zelaya and perception that he is being manipulated by Hugo Chavez. End Comment.

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